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Portugal

Kiwifruit

Annual

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Report Highlights:

Portugal's kiwifruit production for MY 2003/2004 is forecast at 10,000 tons (5 percent above 2002/2003) due to expected improved weather for the season. Imports are expected to remain at the 2002/2003 level of 9,000 tons. Marketing prospects for U.S. kiwifruit are not promising, due to greater availability and stiff competition from EU suppliers.

Includes PSD Changes: Yes
Includes Trade Matrix: Yes
Unscheduled Report
Madrid [SP1]
[PO]

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Production

Kiwifruit PS&D Table

PSD Table

Country Commodity	Portugal Kiwifruit					
	(HA)(MT)					
	2001	Revised Post Estimate	2002 USDA Official	Estimate	2003	Forecast
	USDA Official [Old]	Estimate [New]	Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]
Market Year Begin	10-2001			10-2002		10-2003
Bearing Area	1220	1000	1200	970	0	983
Non-Bearing Area	13	13	33	30	0	17
TOTAL Area Planted	1233	1013	1233	1000	0	1000
TOTAL Area Harvested	1220	1220	1200	1000	0	1000
TOTAL Production	4500	7000	7500	9500	0	10000
Imports	9370	9370	8000	8990	0	9000
TOTAL SUPPLY	13870	16370	15500	18490	0	19000
Exports	372	372	800	246	0	300
Domestic Consumption	13498	15998	14700	18244	0	18700
TOTAL DISTRIBUTION	13870	16370	15500	18490	0	19000

The heat wave that hit Portugal in July and August 2003 had little affect on kiwis because the crop is heavily irrigated. As a result, fruit quality, color and size are considered to be good. Production in MY2003/2004 is forecast at about 10,000 tons, or 5 percent above MY2002/2003. Area in production will be maintained at roughly MY2002/2003 levels (983 hectares); the higher production forecast is based on assumptions of normal weather during the season. However, farmers are faced with low prices and stiff competition from other EU countries (mainly Spain, Italy and Germany), as well as from Chile.

Production is regionally concentrated in the Northern "Entre-Douro-e-Minho" region, which alone accounts for four-fifths of total production. The dominant kiwifruit variety produced in Portugal is "Hayward", which accounts for 90 percent of total output. Vine density averages 560 vines/ha (females) on a normal density crop and 700-800 vines/ha (females) on a high density crop. There are currently no disease/pest problems associated with kiwifruit production due to the crop's recent introduction into the country.

Producer prices have been on a downward trend since 1989 when they peaked at an average of 300 escudos/kg (around €1.50); in MY2002/2003 they averaged about €0.55/kg. Producers are hoping for slightly higher prices in MY2003/2004, around €0.60/kg, but this will depend on competition from imports from EU countries.

Consumption

Domestic kiwi consumption during MY2002/2003 reached 18,244 tons, or 21 percent above MY2001/2002. Domestic consumption for MY2003/2004 is expected to increase to 18,700 tons, slightly above MY2002/2003 levels. This is mainly due to the expected increase in domestic production.

Trade

Portugal has a deficit in kiwifruit trade. In 2002, imports (8,990 tons) almost equaled the amount produced (9,500 tons). For CY2003, imports are expected to hold at around 9,000 tons, reflecting the expected increase in domestic production for the MY2003/2004 campaign.

The Portuguese import market is dominated by EU suppliers, with Spain (3,266 tons), Italy (2,567 tons) and Germany (1,113 tons) as the leading suppliers in 2002, competing with Chile (1,410 tons), which accounts for 16 percent of total imports. New Zealand kiwis are also sold in the Portuguese market. However, New Zealand has exclusive distribution agreements with a few importers for sales in the EU. Thus Portuguese importers purchase New Zealand kiwis from importers in Belgium, Germany and the Netherlands; for statistical purposes, these are considered to be "EU kiwis" when entering Portugal.

Portuguese kiwifruit exports decreased slightly to 246 tons in CY2002.

Import Trade Matrix

Import Trade Matrix

Country Portugal

Commodity Kiwifruit

Time Period	Out-01	Units:	MT
Imports for:	2001		2002
U.S.		U.S.	
Others		Others	
Spain	3638	Spain	3266
Italy	2337	Italy	2567
Germany	1038	Germany	1113
France	933	France	254
Belgium	562	Belgium	220
Netherlands	120	Netherlands	118
Chile	742	Chile	1410
		Argentina	42
Total for Others	9370		8990
Others not Listed			
Grand Total	9370		8990

Export Trade Matrix

Export Trade Matrix

Country Portugal

Commodity Kiwifruit

Time Period	Out-01	Units:	MT
Exports for:	2001		2002
U.S.		U.S.	
Others		Others	
Netherlands	264	Spain	181
Spain	59	Netherlands	29
Cape Verde	26	Cape Verde	26
Brazil	18		
Total for Others	367		236
Others not Listed	5		10
Grand Total	372		246

Marketing

Market opportunities for U.S. kiwifruit are less than promising due to strong competition from both domestic and EU kiwifruit suppliers.

The bulk of domestic kiwifruit production is marketed through four companies (Eurofrutas, Frutas Douro ao Minho, Cavagri and Kiwicoop) and two agricultural cooperatives (Felgueiras and Famalicao). They primarily act as the main distributors of domestic production, dealing directly with retailers, wholesalers and importers. Prices are established by market conditions. Altogether, these companies account for about 40 percent of the total supply.

In addition, kiwifruit are also sold in wholesale markets directly by producers and wholesalers. As is the case with other consumer food items, kiwifruit retailing is increasingly dominated by the super- and hyper-markets, which are estimated to account for almost 75 percent of all kiwifruit sold in Portugal.